

8751

RECEIVED
LEGISLATIVE AUDITOR
60 JUN 21 AM 9:28

**OFFICIAL
FILE COPY**
DO NOT SEND OUT
(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

MANCHAC VOLUNTEER FIRE DEPARTMENT
COMPILATION REPORT
DECEMBER 31, 1999

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8-30-00

MANCHAC VOLUNTEER FIRE DEPARTMENT

COMPILATION REPORT

DECEMBER 31, 1999

TABLE OF CONTENTS

	Page
Transmittal Letter	3
Affidavit	4
Accountant's Compilation Report	5
Balance Sheet	6
Statement of Support, Revenue, and Expenses and Changes in Fund Balance	7
Statement of Cash Flows	8
Notes to the Financial Statements	9
Independent Accountant's Report on Applying Agreed-Upon Procedures	12
Louisiana Attestation Questionnaire	15

TRANSMITTAL LETTER

ANNUAL FINANCIAL STATEMENTS

December 31, 1999

Office of Legislative Auditor
Attention: Ms. Dorothy Milner
1600 North Third
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

Dear Ms. Milner:

In accordance with Louisiana Revised Statute 24:514, enclosed are the annual financial statements for the Manchac Volunteer Fire Department of Tangipahoa Parish as of and for the fiscal year ended December 31, 1999. The report includes all funds under the control and oversight of the fire department. The accompanying financial statements have been prepared in accordance with generally accepted accounting principles.

Sincerely, 

Ms. Carmen Reno
Manchac Volunteer Fire Department

Enclosure

MANCHAC VOLUNTEER FIRE DEPARTMENT
MANCHAC, LOUISIANA

ANNUAL SWORN FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1999
WITH APPROPRIATE SUPPLEMENTAL INFORMATION

AFFIDAVIT

Personally came and appeared before the undersigned authority, Ms. Carmen Reno, who duly sworn, deposes and says that the financial statements herewith given present fairly the financial position of the Manchac Volunteer Fire Department as of December 31, 1999, and the results of operations for the year then ended, in accordance with the basis of accounting described within the accompanying financial statements.

Carmen G. Reno
Signature

Sworn to and subscribed before me this 30th day of May, 2000.

Mabe R. Williams

NOTARY PUBLIC

Officer: Ms. Carmen Reno

Address: Post Office Box 20
Manchac, Louisiana 70421

Telephone: (504) 386-8658

BRUCE HARRELL & CO.
CERTIFIED PUBLIC ACCOUNTANTS
A Professional Accounting Corporation

Bruce C. Harrell, CPA

Warren A. Wool, CPA
Michael P. Estay, CPA
Dale H. Jones, CPA
Charles P. Hebert, CPA
James D. Rabalais, CPA

109 West Minnesota Park
Park Place Suite 7
Hammond, LA 70403
VOICE: (504) 542-6372
FAX: (504) 345-3156

KENTWOOD OFFICE
P.O. Box 45 - 602 Fifth St.
Kentwood, LA 70444
VOICE: (504) 229-5955
FAX: (504) 229-5951

MEMBERS
American Institute of CPAs
Society of Louisiana CPAs

ACCOUNTANT'S COMPILATION REPORT

Members of the Manchac Volunteer Fire Department
Post Office 20
Manchac, Louisiana 70421

We have compiled the accompanying balance sheet of the Manchac Volunteer Fire Department as of December 31, 1999, and the related statement of support, revenue, and expenses and changes in fund balance, and statement of cash flows, for the year then ended in accordance with the Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.



Bruce Harrell & Company, CPAs
A Professional Accounting Corporation

February 19, 2000

**MANCHAC VOLUNTEER FIRE DEPARTMENT
BALANCE SHEET
DECEMBER 31, 1999**

ASSETS

Cash	\$	133,465
Ad Valorem Receivable		19,058
State Revenue Sharing Receivable		<u>5,340</u>
Total Assets	\$	<u><u>157,863</u></u>

LIABILITIES AND FUND BALANCE

Accounts Payable	\$	936
Accrued Payroll Tax		92
Other Accrued Expenses		<u>570</u>
Total Liabilities		<u>1,598</u>

Fund Balance, Unrestricted		<u>156,265</u>
Total Liabilities and Fund Equity	\$	<u><u>157,863</u></u>

See accompanying notes and accountant's compilation report.

**MANCHAC VOLUNTEER FIRE DEPARTMENT
STATEMENT OF SUPPORT, REVENUE, AND EXPENSES AND
CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 1999**

PUBLIC SUPPORT

Allocated by Fire Protection District No. 2	\$	58,664
Total Public Support		58,664

REVENUE

Interest Income		3,108
Total Revenue		3,108
Total Public Support and Revenues		61,772

EXPENSES

Supporting Services		
Accounting		1,945
Building Repairs & Maintenance		9,611
Capital Expenditures-Equipment		13,288
Equipment Repairs and Maintenance		2,910
Fuel & Lubricants		747
Insurance		570
Office Supplies		104
Payroll Taxes		444
Salaries		5,000
Salaries-Volunteer		290
Station Supplies		1,205
Telephone		1,168
Utilities		6,523

Total Expenses		43,805
----------------	--	--------

Excess of Public Support and Revenue Over Expenses		17,967
--	--	--------

Fund Balance, Beginning of Year, As Previously Reported		143,031
Prior Period Adjustment (Note 2)		(4,733)
Fund Balance, Beginning of Year, As Restated		138,298

Fund Balance, End of Year	\$	156,265
---------------------------	----	---------

See accompanying notes and accountant's compilation report.

**MANCHAC VOLUNTEER FIRE DEPARTMENT
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 1999**

CASH FLOW FROM OPERATING ACTIVITIES

Excess of Revenue Over Expenses	\$ 17,967
Adjustments to Reconcile Excess of Revenues Over Expenses to Net Cash Provided (Used) by Operating Activities:	
Change in Ad Valorem Receivable	(3,377)
Change in State Revenue Sharing Receivable	31
Change in Accounts Payable	(3,913)
Change in Other Accrued Expenses	570
Prior Period Adjustment (Note 2)	<u>(4,733)</u>
Net Cash Provided (Used) by Operating Activities	6,545
 CASH AT BEGINNING OF YEAR	 <u>126,920</u>
 CASH AT END OF YEAR	 \$ <u><u>133,465</u></u>

See accompanying notes and accountant's compilation report.

MANCHAC VOLUNTEER FIRE DEPARTMENT

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1999

1. Summary of Significant Accounting Policies

The purpose of the Manchac Volunteer Fire Department is to enter into agreements or contracts with nearby communities to provide fire protection or to establish a mutual aid system. The Manchac Volunteer Fire Department is one of the fire departments, located in Tangipahoa Parish, that comprise the Tangipahoa Parish Fire Protection District No.2. Fire Protection District No.2 was created by the Tangipahoa Parish Council on October 20, 1953.

Fire Protection District No.2 receives ad valorem taxes, state revenue sharing, and the 2% fire insurance rebate monies, which are in turn distributed, along with any interest earned, to the individual fire departments, in accordance with an annual agreement.

The accounting policies of the Manchac Volunteer Fire Department (the fire department) conform to generally accepted accounting principles as applicable to nonprofit organizations. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 29, *The use of Not-for-Profit Accounting and Financial Reporting by Governmental Entities*, the Manchac Volunteer Fire Department applies the AICPA not-for-profit model for financial reporting. GASB No. 29 defines the AICPA not-for-profit model to consist of the accounting and reporting principles contained in Statement of Position (SOP) 78-10, and *Audits of Voluntary Health and Welfare Organizations*, as amended by SOP 87-2 and as modified by all applicable Financial Accounting Standards Board (FASB) pronouncements issued through November 30, 1989, and as modified by most applicable GASB pronouncements. The following is a summary of the significant policies:

A. Fund Accounting

The accounts of the fire department are maintained in accordance with the principles of fund accounting. The fire department has only one fund. The operation of this fund is accounted for with a set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue, and expenses. Following is a brief explanation of the fund included in these financial statements:

Current Fund

Unrestricted - The unrestricted fund is used to account for resources currently available over which the fire department has discretionary control to use in carrying on its operations in accordance with the limitations of the charter and bylaws.

MANCHAC VOLUNTEER FIRE DEPARTMENT

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

DECEMBER 31, 1999

B. Basis of Accounting

Basis of accounting refers to when income and expenses are recognized. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The fire department's funds are accounted for using an accrual basis. Under this method, revenues are recognized when they are earned, and expenses are recognized when they are incurred.

C. Donated Materials and Office Space

The fire department is given use of fire equipment from the Tangipahoa Parish Fire Protection District #2. All assets other than cash, are the property of the Tangipahoa Parish Fire Protection District #2 and/or the Tangipahoa Parish Council.

D. Federal Income Taxes

The fire department is exempt from Federal and State income taxes under Section 501 (c) (3) of the Internal Revenue Code.

2. Cash and Cash Equivalents

At December 31, 1999, the Manchac Volunteer Fire Department, a non-profit entity, has cash and cash equivalents (book balances) totaling \$133,465 as follows:

Demand Deposits	\$	113,450
Time Deposits		<u>20,015</u>
Total Cash and Cash Equivalents	\$	<u><u>133,465</u></u>

Statement of Financial Accounting Standards No. 105 identifies deposits maintained at financial institutions in excess of federally insured limits as a concentration of credit risk requiring disclosure, regardless of the degree of risk. At December 31, 1999, the Manchac Volunteer Fire Department's uninsured demand and time deposit balances (collected bank balances) exceeded FDIC coverages. Management believes that the risk is limited because the deposits are maintained in high quality financial institutions.

MANCHAC VOLUNTEER FIRE DEPARTMENT

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

DECEMBER 31, 1999

3. Prior Period Adjustment

A prior period adjustment of \$ 4,733 was made to correct the beginning Fund Balance, Unrestricted. The adjustment is for revenue sharing over accrued at December 31, 1998. The effect of the adjustment was to decrease Fund Balance, Unrestricted at December 31, 1998 as enumerated below:

12/31/98	Fund Balance, Unrestricted (Before Prior Period Adjustment)	\$	143,031
	Prior Period Adjustment		<u>(4,733)</u>
12/31/98	Fund Balance, Unrestricted (After Prior Period Adjustment)	\$	<u><u>138,298</u></u>

Bruce C. Harrell, CPA

Warren A. Wool, CPA
Michael P. Estay, CPA
Dale H. Jones, CPA
Charles P. Hebert, CPA
James D. Rabalais, CPA

BRUCE HARRELL & CO.
CERTIFIED PUBLIC ACCOUNTANTS
A Professional Accounting Corporation

109 West Minnesota Park
Park Place Suite 7
Hammond, LA 70403
VOICE: (504) 542-6372
FAX: (504) 345-3156

KENTWOOD OFFICE
P.O. Box 45 - 602 Fifth St.
Kentwood, LA 70444
VOICE: (504) 229-5955
FAX: (504) 229-5951

MEMBERS
American Institute of CPAs
Society of Louisiana CPAs

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners
Manchac Volunteer Fire Department
Post Office Box 20
Manchac, Louisiana 70711

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of the Manchac Volunteer Fire Department, the Legislative Auditor, State of Louisiana, and applicable state agency/agencies solely to assist the users in evaluating management's assertions about the Manchac Volunteer Fire Department's compliance with certain laws and regulations during the year ended December 31, 1999, included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Federal, State, and Local Awards

1. Determine the amount of Federal, State and local award expenditures for the fiscal year, by grant and grant year.

During the fiscal year ending December 31, 1999, Manchac Volunteer Fire Department did not receive federal financial assistance. State and Local assistance received during this fiscal year consisted of Ad Valorem taxes, State Revenue Sharing funds, and State Fire Insurance Rebates, as allocated by Rural Fire Protection District No. 2 of Tangipahoa Parish, Louisiana. Total expenditures incurred by Manchac Volunteer Fire Department in the delivery of fire prevention and control services, totaled \$43,805 for the fiscal year ending December 31, 1999.

2. From the total expenditures of Manchac Volunteer Fire Department, we randomly selected six disbursements.
3. For the items selected in procedure 2, we traced the six disbursements to supporting documentation as to proper amount and payee.

BRUCE HARRELL & CO.
CERTIFIED PUBLIC ACCOUNTANTS
A Professional Accounting Corporation

To the Board of Commissioners
Manchac Volunteer Fire Department
Page 2

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

4. For the items selected in procedure 2, we determined if the six disbursements were properly coded to the correct fund and general ledger account.

All six of the payments were properly coded to the correct fund and general ledger account.

5. For the items selected in procedure 2, we determined whether the six disbursements received approval from proper authorities.

Inspection of the documentation supporting each of the six selected disbursements indicated approvals from proper authorities.

6. For the items selected in procedure 2, we determined whether the disbursements were made in accordance with applicable laws and regulations for fire protection services of Manchac Volunteer Fire Department.

All six of the payments were made in accordance with applicable laws and regulations for fire protection services of Manchac Volunteer Fire Department.

7. For the programs selected for testing in item (2) that had been closed out during the period under review, we compared the close-out report, when required, with the entity's financial records to determine whether the amounts agree.

N/A - See agreed-upon procedure (1) above.

Meetings

8. We examined evidence indicating that agendas for meetings recorded in the minute book were posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The Board of Commissioners has stated that they posted written notices of the meetings in the fire station.

Comprehensive Budget

9. For all grants exceeding five thousand dollars, we determined that each applicable federal, state, or local grantor agency was provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

BRUCE HARRELL & CO.
CERTIFIED PUBLIC ACCOUNTANTS
A Professional Accounting Corporation

To the Board of Commissioners
Manchac Volunteer Fire Department
Page 3

During the fiscal year ending December 31, 1999, the fire department did not receive any federal, state, or local grants exceeding five thousand dollars. The volunteer fire department is not subject to the budget laws, since the volunteer fire department is a nonprofit organization.

Prior Comments and Recommendations

10. We reviewed any prior-year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

In the agreed-upon procedures engagement for the year ended December 31, 1998, we reported that the Board of Commissioners was not aware that they were required to post notices of public meetings. This was resolved in the year ended December 31, 1999. The Board of Commissioners has stated that they have posted written notices of the meetings in the fire station.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Manchac Volunteer Fire Department and the Legislative Auditor, State of Louisiana, and the applicable state agency/agencies and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.



Bruce Harrell and Company, CPAs
A Professional Accounting corporation

February 19, 2000

LOUISIANA ATTESTATION QUESTIONNAIRE

FEBRUARY 19, 2000 Date

Bruce Harrell & Company, CPAs
A Professional Accounting Corporation
109 West Minnesota Park Suite 7
Hammond, Louisiana 70403

Entity: Manchac Volunteer Fire Department
Post Office Box 20
Manchac, Louisiana 70421

In connection with the compilation of our financial statements as of DECEMBER 31, 1999 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of February 19, 2000.

Federal, State and Local Awards

We have detailed for you the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year.

Note: Financial assistance consists primarily of ad valorem taxes, state revenue sharing, and fire insurance rebates.

Yes(**X**) No() N/A()

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and grantor officials.

Yes(**X**) No() N/A()

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes(**X**) No() N/A()

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes(**X**) No() N/A()

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Yes(**X**) No() N/A()

LOUISIANA ATTESTATION QUESTIONNAIRE (continued)

Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

Yes() No() N/A(X)

Prior Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes(X) No() N/A()

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the federal, state, and local grants, to include the applicable laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance which may occur up to the date of your report.

Ronald A. Bourque Secretary

2/19/00 Date

Carmen G. Beno Treasurer

2/19/00 Date

HW Matheuse President

2/19/00 Date